

APPENDIX G. CARRYOVER PROCEDURES

1. Working Capital Fund - Carryover

At the end of each fiscal year, unobligated balances in the Working Capital Fund (WCF) will be identified and reconciled to the General Ledger in early October by the Management Controls and Reports Branch (MCRB) of the Office of Accounting and Financial Management (OAFM). Unobligated balances will be identified by customer agreement and provided to the Fiscal Services offices. The same data will be summarized and provided to the Office of Budget and Performance for making allotments and suballotments. Carryover balances must be rolled forward to the same agreement in the new fiscal year and then may be redirected. Redirections may not occur until carryover balances are brought forward. The following times are established for rolling WCF carryover forward:

A. Early-November–

- (1) In BASIS+, Cost Centers/Fiscal Services offices draw down funding (decrease the FPCAs and RAs) in the prior BFYs for the amounts to be carried forward.
- (2) In BASIS+, Cost Centers will establish funding (in the new fiscal year customer agreements (RAs) and FPCAs) for the carryover amounts.

B. Mid-November– Fiscal Services offices make requests to OAFM Accounting Operations Branch (AOB) to roll forward collections from the prior BFYs to the new fiscal year agreement.

C. Late-November - AOB records collection transactions (TC = 'CR & TT' = NL"for Investment and Fee-for-Service components) to roll forward carryover cash.

2. Working Capital Fund – Prior Year Recoveries – Quarterly Activity

Obligations, in prior years that are decreased or cancelled by modifying the original obligation will be identified as recoveries. On a quarterly basis (during January, April, July, and September), unobligated balances created because of recoveries must be rolled forward. OAFM will provide a periodic report on recoveries to facilitate rolling these balances forward. The following steps will be used to accomplish the recovery roll forward:

Step 1 – Identify recoveries by using OAFM periodic report.

Step 2 – In BASIS+, Cost Centers/Fiscal Services offices draw down funding (decrease the FPCAs and RAs) in the prior BFYs for the amounts to be carried forward.

Step 3 – In BASIS+, Cost Centers increase the funding (RAs and FPCAs) for the recovery amounts.

Step 4 – Fiscal Services offices make request to AOB to roll forward collections from the prior BFYs to the new fiscal year agreement.

Step 5 – AOB records collection transactions (TC = 'CR" & TT' = NL for Investment and Fee-for-Service components) to roll forward recovery cash.

3 Working Capital Fund – Prior Year Accounting Adjustments

It is quite common that payments made against year-end obligations and accruals are not made for the exact amount of the obligation or accrual. When these payments are made, the underpayments and overpayments are referred to as “accounting adjustments.”

A. Working Capital Fund – Upward Adjustments – Immediate Activity

When a payment is made for more than the original estimate, an upward accounting adjustment is made, requiring the account manager to take additional action to match the overpayment with available funding.

If the carryover and recovery procedures above are performed in a timely and accurate manner, there will be no funding in the prior years to fund upward adjustments. This is why new/unobligated expenditures must be recorded in the current year of a no-year fund. However, there are always transactions that get through, thereby causing an upward adjustment.

When an account is charged in a prior year and that account has no funding, then the distribution process will place the upward adjustment into a default account. Default accounts must be cleared by using an 8S transaction. The appropriate action to correct prior-year defaults is to move the overpayment into the same account in the current BFY. If this is not possible, consult with the appropriate Fiscal Services office to determine the appropriate course of action. Offices are encouraged to make these adjustments as soon as practical.

B. Working Capital Fund – Downward Adjustments – Quarterly Activity

When a payment is made for less than the original estimated obligation or accrual, a downward accounting adjustment is made, thereby creating unobligated authority. Unobligated balances created because of downward adjustments may be rolled forward on a quarterly basis during January, April, July, and September. If the downward adjustment is significant, it may be desirable to immediately roll forward this balance rather than following the quarterly schedule. Fiscal Services offices have the option to manually roll forward the unobligated balances or leave them to be carried forward during the automated year-end carryover process. OAFM will provide a periodic report on upward and downward adjustments to facilitate rolling these balances forward. The following steps will be used to accomplish the recovery roll forward:

Steps 1 – 4 (refer to Recovery section)

Step 5 – AOB records collection transactions (TC = ‘CR & TT’ = 24”for Fee-for-Service components and TC = ‘CR” & TT’ = 25 for Investment components) to roll forward the cash associated with downward adjustments.